

**House Study Bill 531 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

**A BILL FOR**

1 An Act relating to assessment and taxation of  
2 telecommunications company property and including effective  
3 date and applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 433.4, Code 2011, is amended to read as  
2 follows:

3 **433.4 Assessment.**

4 1. The director of revenue shall on or before October 31  
5 each year, proceed to find the actual value of the property  
6 of these companies in this state used by the companies in the  
7 transaction of telegraph and telephone business, taking into  
8 consideration the information obtained from the statements  
9 required, and any further information the director can obtain,  
10 using the same as a means for determining the actual ~~cash~~ value  
11 of the property of these companies within this state. ~~The~~  
12 ~~director shall also take into consideration the valuation of~~  
13 ~~all property of these companies, including franchises and the~~  
14 ~~use of the property in connection with lines outside the state,~~  
15 ~~and making these deductions as may be necessary on account of~~  
16 ~~extra value of property outside the state as compared with~~  
17 ~~the value of property in the state, in order that the actual~~  
18 ~~cash value of the property of the company within this state~~  
19 ~~may be ascertained. The assessment shall include all property~~  
20 ~~of every kind and character whatsoever, real, personal, or~~  
21 ~~mixed, used by the companies in the transaction of telegraph~~  
22 ~~and telephone business; and the~~ The property so included in  
23 the assessment shall not be taxed in any other manner than as  
24 provided in this chapter.

25 2. a. Except as provided in paragraph "c", for assessment  
26 years beginning on or after January 1, 2013, a company's  
27 property, excluding the property identified in paragraph "b"  
28 as exempt from taxation, shall be subject to assessment and  
29 taxation under this chapter by the director of revenue in  
30 the same manner as property assessed and taxed as commercial  
31 property under chapters 427, 427A, 427B, 428, and 441.

32 b. A company's property that is any of the following is  
33 exempt from taxation and shall not be assessed for taxation:

34 (1) Central office equipment.

35 (2) Transmission equipment.

1     (3) Qualified telephone company property. However,  
2 qualified telephone company property shall be valued and  
3 included in the company's assessment for the assessment years,  
4 and to the extent specified, in paragraph "c".

5     c. For assessment years beginning on or after January 1,  
6 2013, but before January 1, 2017, the director of revenue shall  
7 add to the actual value determined under paragraph "a" for the  
8 applicable assessment year, the following:

9     (1) For the assessment year beginning January 1, 2013, an  
10 amount equal to the actual value of the company's qualified  
11 telephone company property that exceeds five million dollars.

12     (2) For the assessment year beginning January 1, 2014, an  
13 amount equal to the actual value of the company's qualified  
14 telephone company property that exceeds fifty million dollars.

15     (3) For the assessment year beginning January 1, 2015, an  
16 amount equal to the actual value of the company's qualified  
17 telephone company property that exceeds one hundred million  
18 dollars.

19     (4) For the assessment year beginning January 1, 2016, an  
20 amount equal to the actual value of the company's qualified  
21 telephone company property that exceeds one hundred fifty  
22 million dollars.

23     Sec. 2. Section 433.12, Code 2011, is amended by adding the  
24 following new subsections:

25     NEW SUBSECTION. 1A. As used in this chapter, "*central*  
26 *office equipment*" means equipment owned or leased by a company  
27 and used in initiating, amplifying, switching, or monitoring  
28 telecommunications services, including such ancillary equipment  
29 necessary for the support, regulation, control, repair, or  
30 testing of such equipment.

31     NEW SUBSECTION. 3. As used in this chapter, "*qualified*  
32 *telephone company property*" means telephone wire, telephone  
33 cable, fiber optic cable, conduit systems, poles, or other  
34 equipment owned or leased by a company and used by the company  
35 to transmit sound or data.



1 of revenue in the same manner as property assessed and taxed  
2 as commercial property. The bill provides, however, that for  
3 assessment years beginning on or after January 1, 2013, but  
4 before January 1, 2017, the director of revenue shall add to  
5 the actual value so determined for that assessment year a  
6 specified amount of actual value of the company's qualified  
7 telephone company property. The bill defines "qualified  
8 telephone company property" as telephone wire, telephone  
9 cable, fiber optic cable, conduit systems, poles, or other  
10 equipment owned or leased by a company and used by the company  
11 to transmit sound or data.

12 The bill strikes a provision in Code section 476.1D that  
13 allowed certain specified long-distance telephone company  
14 property to be assessed for taxation as commercial property by  
15 the local assessor.

16 Except for the section of the bill amending Code section  
17 476.1D, the bill takes effect July 1, 2012, and applies to  
18 assessment years beginning on or after January 1, 2013. The  
19 section of the bill amending Code section 476.1D takes effect  
20 July 1, 2016, and applies to assessment years beginning on or  
21 after January 1, 2017.